

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1673

IN THE MATTER OF:

Served April 20, 1977

Application of ATWOOD'S TRANSPORT)
LINES, INC., for Authority to Change)
Tariff)

Application No. 987

Docket No. 369

On March 22, 1977, Atwood's Transport Lines, Inc. (Atwood), filed WMATC Tariff No. 19, to cancel WMATC Tariff No. 18, effective April 21, 1977. Atwood's current WMATC Tariff No. 18 specifies regulations, fares and charges applicable to the transportation of passengers pursuant to Certificate of Public Convenience and Necessity No. 14. That certificate authorizes operations (a) over a regular route, between Washington, D. C., and the Prince George's-Charles County line, Md., and (b) over irregular routes, conducting round-trip or one-way charter service, (1) from the District of Columbia to points in the Metropolitan District and (2) from points in an area within one mile of two specified routes to points in the Metropolitan District. Atwood seeks a rate increase for charter operations and certain definitional changes as described below. No change is sought with respect to regular-route operations.

Atwood's Tariff No. 18 includes rates for buses with seating capacities for 38, 45 or 47 persons. Tariff No. 19 shows rates only for vehicles with seating capacities for 38 and 46 persons. Applicant explains this change as resulting from the seating configuration of the bus where the 47th seat is opposite the rest room door and, presumably, not desirable for regular use. Atwood apparently no longer operates 45-passenger buses.

Applicant's current charter rates are as follows:

a. Charter

Seating Capacity of Vehicle (exclusive of Driver's Seat)	Rate per Revenue Mile	Rate per Deadhead Mile	Hourly Charges	
			Rate per Hour	Maximum Each 24-Hour Period
38 (with restroom)	.99	.55	\$18.00	
45	.97	.55	\$19.00	
47 (with restroom)	1.06	.55	\$20.00	

Round trips of 100 miles or less will be based on hourly charge with a minimum charge of four (4) hours.

Round trips in excess of 100 miles will be based on the mileage charge or the hourly charge, whichever is greater.

b. Transfers

38 - 45 - 47
Passenger Coaches

Between any two points in the District of Columbia (one-hour service)	\$60.00
Between the National Airport and any point in the District of Columbia (one-hour service)	\$60.00
From the District of Columbia to Dulles Airport (two-hour service)	\$80.00

Proposed charges under Tariff 19 would be:

a. Charter

Hourly Charges

<u>Seating Capacity of Vehicle (exclusive of Driver's Seat)</u>	<u>Rate per Revenue Mile</u>	<u>Rate per Deadhead Mile</u>	<u>Rate per Hour</u>	<u>Maximum Each 24-Hour Period</u>
38 (with restroom)	1.03	.60	\$19.00	
46 (with restroom)	1.10	.60	\$21.00	

Round trips of 100 miles or less will be based on hourly charge with a minimum charge of four (4) hours.

Round trips in excess of 100 miles will be based on the mileage charge or the hourly charge, whichever is greater.

b. Transfers

38 - 46
Passenger Coaches

Between any two points in the District of Columbia (one-hour service)	\$65.00
Between the National Airport and any point in the District of Columbia (one-hour service)	\$65.00
Between any point in the District of Columbia and Dulles Airport (two-hour service)	\$85.00

Atwood's live mileage rates would increase approximately 4 percent, its deadhead mileage rates would increase approximately 9 percent, and hourly rates for 38- and 46-passenger buses would increase 5.55 and 5 percent, respectively. Transfer rates to Dulles International Airport would increase 6.25 percent and other transfer rates would increase 7.7 percent. In addition, layover charges would be increased approximately 11.5 percent from \$26 to \$29. In support of its application, Atwood submitted eight exhibits, discussed ad seriatim below.

Exhibit 1 is a balance sheet dated December 31, 1976. Total current assets are \$272,330, including cash of \$104,611. Fixed assets include motor buses \$1,811,306, other equipment \$28,205, improvements to leased garage \$2,225, intangible property \$25,318, and deferred debits \$11,226. Current liabilities total \$990,442, including notes payable to Frank Martz Coach Company \$602,050, Atwood's parent corporation, and unspecified notes payable \$337,470. Deferred credits and reserves total \$873,164 and Atwood's equity amounts to \$286,545, including a total surplus of \$260,345.

Exhibit 2 is an income statement for the 12-month period ended December 31, 1976. Passenger revenue (presumably for regular-route operations) is \$128,528, charter revenue totals \$2,098,649 and other revenue is \$21,588. Atwood shows operating expenses of \$1,620,726, and other expenses of \$169,545. Net operating revenue is \$215,735, and ordinary income before taxes equals \$161,762. Applicant's operating ratio is 90.4 and its operating return (net operating revenue divided by equity) is 75.3 percent. Atwood's after-tax return on equity is 33.4 percent.

Exhibits 3 and 4 are statements of income, apparently projected for calendar year 1977 for "Atwood Company" and "Division II Company". The identity and meaning of these exhibits is unclear.

Exhibit 5 is a schedule of motor vehicle equipment and depreciation thereon. The useful life for depreciation purposes varies from a minimum of 7 years through a maximum of 15 years. Useful lives of 7 years have been attributed to new buses acquired in 1975, 1976, and 1977. Prior to that time, the average useful life attributed to a bus was approximately 13 years.

Exhibit 6 sets forth the amount of rent paid for Atwood's garage facilities, and Exhibit 7 is a series of questions and answers signed by L. F. Hanson. Exhibit 8 appears to be a letter from Liberty Mutual Insurance Company to an employee of Atwood, informing the employee of an increase in his automobile insurance premium. The relevance of this document is unclear.

Title II, Article XII, Section 6(a)(1) of the Compact authorizes the Commission to suspend any fare, regulation or practice at anytime prior to the effective date thereof. In considering whether such fare, regulation or tariff shall be suspended, the Commission must consider, inter alia,

the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. Further, the Compact, Title II, Article XII, Section 6(a)(2) mandates that fares, regulations or practices relating thereto must be just, reasonable, and not unduly preferential either between riders or sections of the Metropolitan District. Subsections (a)(3) and (a)(4) list additional considerations, including the need, in the public interest, of adequate and efficient transportation service by a carrier at the lowest cost consistent with the furnishing of such service, and the opportunity for a carrier to earn a net return of at least 6.5 percent after all taxes properly chargeable to transportation operations.

An analysis of the proposed fares does not indicate that the rates applicable to charter operations comport with the statutory criteria referenced above. Moreover, it cannot be determined on the basis of the exhibits filed in support of the proposed tariff that the rates applicable to Atwood's regular-route operations comport with the statutory criteria. Expenses of operation have not been segregated with respect to the two classes of operation involved, and it appears that applicant's regular-route rates may be higher than those of another carrier, Greyhound Bus Line, operating over the same route. Moreover, Atwood has not separately listed its charter income derived from negotiated contracts and the expenses associated therewith. Also, it appears that rates for transfer operations relate, to a certain extent, to service which is beyond the scope of Certificate No. 14.

Accordingly, the Commission shall suspend, under the provisions of Title II, Article XII, Section 6(a)(1) of the Compact, Atwood's proposed WMATC Tariff No. 19 and schedule a hearing in order to develop an appropriate record upon which the Commission may prescribe a rate schedule which is just, reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District. The public should be given notice of the proposed WMATC Tariff No. 19 and Atwood shall be required to publish notice in a newspaper and post notice in each of its vehicles. The public hearing shall be held for the purpose of determining the appropriate scope and fare structure applicable to Atwood's operations pursuant to Certificate of Public Convenience and Necessity No. 14. To this extent, Atwood should be prepared to submit appropriate evidence and exhibits, including duplicates of those attached to its application, concerning its regular-route, charter, and contract charter operations. Atwood shall be assessed an amount preliminarily estimated to be sufficient to cover the expenses which the Compact, Title II, Article XII, Section 19(a) require the carrier to bear.

THEREFORE, IT IS ORDERED:

1. That WMATC Tariff No. 19 of Atwood's Transport Lines, Inc., be, and it is hereby, suspended effective April 21, 1977, for a period of 90 days, through Tuesday, July 19, 1977, unless otherwise ordered.

2. That Application No. 987 of Atwood's Transport Lines, Inc., be, and it is hereby, scheduled for public hearing to commence Thursday, May 19, 1977, at 9:30 A. M. in the Hearing Room of the Commission, Room 314, 1625 I Street, N. W., Washington, D. C. 20006.

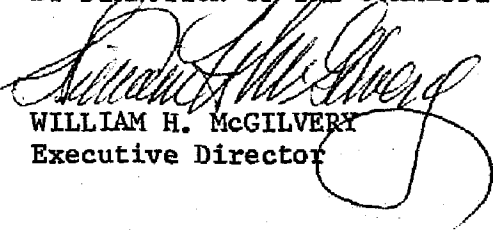
3. That Atwood's Transport Lines, Inc., post notice of this application and hearing, in the form prescribed by the staff of the Commission, in all of its vehicles no later than Friday, April 29, 1977, and maintain such notice in its vehicles through the date of the public hearing.

4. That Atwood's Transport Lines, Inc., publish notice of this application and hearing, in the form prescribed by the staff of the Commission, in a newspaper of general circulation in the Metropolitan District, once, no later than Friday, April 29, 1977.

5. That any person desiring to protest shall file a protest in accordance with Commission Rule 14 or any person desiring to be heard on this matter shall notify the Commission, in writing, on or before Wednesday, May 11, 1977, and mail a copy of such protest or notification to counsel of record for applicant, L. C. Major, Jr., Esquire, Suite 400, Overlook Office Building, 6121 Lincolnia Road, Alexandria, Virginia 22312.

6. That Atwood's Transport Lines, Inc., be, and it is hereby, assessed \$350 pursuant to the provisions of the Compact, Title II, Article XII, Section 19, and directed to deliver such amount to the office of the Commission, Room 316, 1625 I Street, N. W., Washington, D. C. 20006, on or before 2 P. M. on Friday, May 13, 1977.

BY DIRECTION OF THE COMMISSION:



WILLIAM H. MCGILVER
Executive Director